GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:527
ANSWERED ON:21.11.2002
STABILITY IN PRICES OF PETROLEUM PRODUCTS
GADDE RAMAMOHAN

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the steps taken by the Government to bring stability in petroleum prices to check volatility in oil prices seen in recent past;

(b) whether India`s indigenous production of petroleum products has increased or decreased during the last year; and

(c) if so, steps being taken to increase production of petroleum products in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS PARLIAMENTARY AFFAIRS. (SHRI SANTOSH KUMAR GANGWAR)

(a): With the dismantling of the Administered Pricing Mechanismin the petroleum sector effective 1st April 2002, the fluctuation in the international oil market are bound to get reflected in the domestic consumer prices of petroleum products. With a view to partially contain the impact of volatility in the international oil market, the excise duty rates on petrol and diesel were reduced by the Government by 2% each effective 4th June 2002.

(b) & (c): During the last year 2001-02, country`s refining capacity increased from 112.54 million tonnes per annum to 116.07 million tonnes per annum, thereby increasing the domestic production of petroleum products. With a view to meet the incremental demand of petroleum products, the oil companies are implementing projects to further increase the refining capacity.